

Growth in outpatient therapy spending

ISSUE: Spending on outpatient therapy services (which includes physical and occupational therapy and speech and language pathology services) has grown considerably in the recent past. The therapy caps that limit Medicare spending per beneficiary were reinstated January 1, 2006. Given where the growth has occurred, what policy options should be considered to control Medicare's spending for these services?

KEY POINTS: Staff will present information on the growth in Medicare spending for outpatient therapy services, including:

- The provider settings, ownership categories, and services that have grown the fastest and
- The mix of providers in states with high and low per user spending.

ACTION: Considering the growth patterns, we would like the Commission to discuss the policy options that would help ensure that the services furnished are medically necessary.

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